

Gilbert & Mosley TIF

Overview. Kansas State law (KSA 12-1771a) allows the City to fund the cleanup of an environmentally contaminated area through the use of a special Tax Increment Financing (TIF). Tax increment financing involves the restoration of property values in a contaminated area to higher, pre-contamination levels, and capturing up to 20% of the "increment" of property tax produced by the valuation increase to pay cleanup costs.

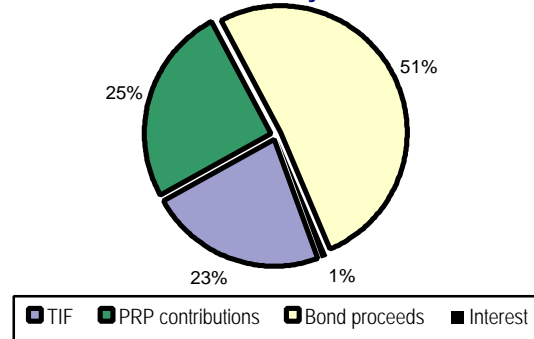
Tax Increment Financing District #1 was established in August 1991 to fund the cleanup of groundwater contamination in the Gilbert & Mosley area. At that time, the City entered into an agreement with the Kansas Department of Health and Environment (KDHE) whereby the City agreed to undertake the clean up and avoid the substantial cost and stigma associated with designation of the district as a Superfund site.

Finance and Operations. Gilbert & Mosley project expenditures for 1999, 2000 and 2001 include capital, operational, debt service, and administrative costs. The project is in the final stages of the remedial design phase, with remedial construction (contamination abatement) scheduled to begin in 1999 and continue through 2001.

Remediation methods approved by the City Council include the use of porous subterranean walls filled with fine-grained iron filings in some project areas. As the plume of contaminated groundwater travels through the walls on its way to the river, the iron filings trap contaminants and render them harmless. Contamination abatement in other locations

may be accomplished by extracting the polluted

**Gilbert & Mosley TIF Fund
Revenue Summary 1998-2001**



groundwater and treating it onsite.

The City has taken cost recovery action against 26 local businesses and individuals identified as responsible for the contamination in the Gilbert & Mosley area. The City's legal staff and outside legal advisors aggressively pursue the goal of holding PRPs financially liable for all costs of the clean up of contamination caused by PRPs in the district.

Remediation activities are not projected to be complete within the 20-year time period during which TIF funding can be legally made available. City staff is currently exploring options for addressing the statutory 20-year limitation, which could include petitioning the Kansas State Legislature for a waiver or extension of the deadline, or re-establishing the district upon expiration.

Gilbert & Mosley TIF Fund Budget Summary

	1998 Actual	1999 Adopted	1999 Revised	2000 Adopted	2001 Approved
Gilbert & Mosley Fund Revenue	661,465	11,490,050	5,069,270	6,830,610	4,122,870
Personal Services	37,521	33,660	39,280	41,660	45,160
Contractual Services	2,394,749	1,406,890	2,354,650	2,154,650	1,204,650
Commodities	3,024	3,750	7,050	4,050	4,050
Capital Outlay	145,422	7,632,870	1,008,660	4,004,000	1,800,000
Other	41,367	1,612,000	42,000	555,520	1,111,040
Total Fund Expenditures	2,622,083	10,689,170	3,451,640	6,759,880	4,164,900
Revenue Over (Under) Expenditures	(1,960,618)	800,880	1,617,630	70,730	(42,030)
Change From Accruals	190,000	0	(190,000)	0	0
Gilbert & Mosley Fund Balance	(1,413,481)	22,207	14,149	84,879	42,849
Position Summary					
Total FTE	1	1	1	1	1